



# Welfare Plan Update Plan Year-End Roundup

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# USERRA

December 10, 2004

- Requires 24 months of COBRA-like coverage at 102% of cost
- Applies to elections made on and after December 10, 2004
  - Note how, with COBRA election timeline, this can apply to leaves beginning before December 10, 2004

# Revised COBRA Notice Requirements

January 1, 2005

- Revise prior notices (follow DOL Model, if possible, with additions)
- Add new notices for termination and unavailability
- Add USERRA 24-month extension
- Revise SPDs and plan language

# Working Families Tax Relief Act of 2004

January 1, 2005

- Revise dependent definition in medical plans, enrollment material, and SPDs
- Revise definition of dependent for dependent care spending account

# California Domestic Partner Coverage

January 1, 2005

- ERISA preemption for many employers
  - Note impact of insured plans, non-ERISA employers, or non-ERISA policies for all employers
- CAL-COBRA impact
- May need to:
  - Modify plan documents and policies
  - Change state withholding routines

# USERRA Notice

March 10, 2005

- Post Model DOL USERRA Notice

# HIPAA Security Compliance for Larger Plans

April 20, 2005

- Revise BA agreements to address EPHI
- Conduct HIPAA security analysis
- Designate Security Officer
- Revise plan documents
- Train workforce

# Foreign Adoptions

June 15, 2005

- Expanded definition of when foreign adoptions are “final”
- Revise plan language in adoption and medical plans

# Final HIPAA Portability Rules

July 1, 2005

- Revise HIPAA Certificates of Creditable Coverage
- Revise Notices for Preexisting Condition Exclusions
- Revise Notice of Special Enrollment Rights
- Review exempted plans to ensure continued exemption

# Hurricane Katrina

- Required extension, until February 28, 2006, of:
  - HIPAA 63-day break in coverage rule
  - HIPAA 30-day period for adding newborn children
  - HIPAA 30-day special enrollment rule
  - COBRA 60-day election period
  - COBRA premium due date
  - Employee notification of qualifying event or disability
  - ERISA claim or appeal filing deadlines
- Review and amend plan documents, SPDs, etc.

## Hurricane Katrina (cont'd)

- IRS Notice 2005-68 permits:
  - Donation of unused vacation, sick, or personal time in exchange for employer cash payments to organizations assisting with Katrina relief
  - No taxable income to employee
  - No charitable deduction to employee
  - Donations must be made before January 1, 2007

# CT Civil Unions

October 1, 2005

- May not apply to health benefits
  - ERISA preemption for many employers
  - Note impact on non-ERISA policies
- State COBRA rules
- May need to:
  - Modify plan documents and policies
  - Change state withholding routines

# Medicare Part D Subsidy

October 31, 2005

- Perform analysis of appropriate Part D coordination
  - Should Part D enrollees lose ER coverage?
- If claiming credit:
  - Complete on-line application
  - Submit retiree data
- Revise open enrollment material, SPDs, and plan documents

# Medicare Part D Creditable Coverage Notice

November 14, 2005

- Analyze whether employer drug coverage is creditable
- Distribute to ALL plan participants, regardless of age (due to multiple Medicare triggers and lack of related data)
- Later notice to CMS
- Later revision to Coverage Notice
- Distribute annually and upon request

# FSA 2-1/2-Month Grace Period

December 31, 2005

- Analyze pros and cons of this change, including impact on any HSA coverage
- Describe change in 2006 open enrollment material
- Confirm administrator capabilities
  - Address reprocessing for trailing paper claims from 2005
- Adopt plan amendment (by 12/31/05), revise SPDs
- Accurately complete 2005 W-2 reporting for dependent care spending account

# HIPAA Security Compliance for Small Plans

April 20, 2006

- Revise BA agreements to address EPHI
- Conduct HIPAA security analysis
- Designate Security Officer
- Revise plan documents
- Train workforce

# Contact Information



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